

FOR IMMEDIATE RELEASE

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DENVER – November 4, 2013 – The Department of Health Care Policy and Financing (Department) announced today that the Department achieved \$44 million in gross savings or cost avoidance with its Accountable Care Collaborative (ACC) program. This is more than double the amount of cost avoidance achieved by the program last fiscal year. After accounting for payments to providers and regional care organizations, the program's net savings for state fiscal year 2012-13 was approximately \$6 million.

"This program is our premier program to ensure our clients are getting the right care, at the right time, in the right place," said Susan E. Birch, MBA, BSN, RN, executive director. "We are achieving significant savings, while we are reinvesting in our providers and investing in care coordination. We will continue to build upon the initial success of our ACC program to achieve person centered care that brings together physical, behavioral, oral, long-term care and public health."

This is the third year of the ACC program, which is designed to improve client health while lowering costs. The Department brought the program to state lawmakers as a budget reduction item in 2009 with the expectation that the program would not only pay for itself, but reduce expenditures in the future.

"In terms of savings, the program has exceeded our expectations. However, there is so much more that the Department wants to address through this program, that we've only scratched the surface," said Deputy Medicaid Director Laurel Karabatsos. "Next year at this time, we expect to be talking not only about savings, but also about all the ways the program provides value to our providers, clients and the community."

The Department established three initial key performance indicators to measure improvement among those clients enrolled in the ACC, compared to clients not yet enrolled. In FY 2012-13, those results were:

- **Hospital Readmissions:** 15-20 percent reduction
- **High Cost Imaging:** 25 percent reduction
- **Emergency Room Utilization:** 1.9 percent increase compared to a 2.8 percent increase for those not enrolled in the program

The program will be adding an additional performance metric next year related to well child visits. For more information visit Colorado.gov/hcpf.

About the Accountable Care Collaborative: The Accountable Care Collaborative (<u>ACC</u>) is Colorado Medicaid's program to improve clients' health and reduce costs. More than 352,000 clients are currently enrolled in the ACC. Medicaid clients in the ACC receive the regular

Medicaid benefit package and belong to a Regional Care Collaborative Organization (<u>RCCO</u>). The ACC program has seven geographical regions, each served by a specific Regional Care Collaborative Organization. These regional organizations provide care coordination, connect members to primary care (a medical home), specialists and community resources as needed.

The ACC is a central part of Medicaid reform that changes the incentives and health care delivery processes for providers from one that rewards a high volume of services to one that holds them accountable for health outcomes.

About the Colorado Department of Health Care Policy and Financing: The department administers the Medicaid and Child Health Plan *Plus* programs as well as a variety of other programs for low-income Coloradans who qualify. The mission of the department is to improve health care access and outcomes for the people we serve while demonstrating sound stewardship of financial resources. For more information about the department, please visit Colorado.gov/hcpf.

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See Accountable Care Collaborative By The Numbers Fact Sheet Below



COLORADO MEDICAID'S ACCOUNTABLE CARE COLLABORATIVE BY THE NUMBERS

Source: 2013 Accountable Care Collaborative Annual Report

- 3 primary components of the program providers, regional care organizations and data
- 3 key performance indicators
 - o 15-20 percent reduction for hospital readmissions
 - 22 percent reduction for ACC members with COPD
 - 25 percent reduction in high-cost imaging services relative to a similar population prior to ACC program
 - Lower rates of increase in emergency room (ER) visits when compared to clients not enrolled in the ACC Program.
- **7 regional care organizations** regions are based on geography, provider and care networks
- 47 percent of Medicaid clients were enrolled in the program as of June 2013
- 160,000 newly eligible Medicaid clients will be part of the program in 2014
- \$6 million reinvested into providers by the program
- \$44 million in gross program savings (\$6 million in net savings)

Program Performance Comparison Chart 2012 and 2013

	FY 2011-12	FY 2012-13
Number enrolled	132,000	352,000
Estimated Gross Savings	\$20 million	\$44 million
Net Savings after payments	\$3 million	\$6 million
to providers and for care		
coordination		
Provider Payments		
Amount Reinvested in	\$3 million	\$6 million (includes
Providers		incentive payments that
		were not available in
		previous year)
Key Performance Indicators		
Hospital Readmissions	8.6% reduction	15-20% reduction
High Cost Imaging	3.3% reduction	25% reduction
Emergency Room	.23% increase (compared to	1.9% increase (compared to
Utilization	a 1% increase among all	a 2.8% increase for those
	Medicaid clients)	not enrolled)

Note: The metrics are ACC clients compared to those who were not in the ACC in our benchmark year FY 2010-11. This was before the ACC enrolled clients into the program.

For more information visit Colorado.gov/hcpf.